

**WATER DISTRICT 19
KING COUNTY, WASHINGTON**

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF WATER DISTRICT 19, KING COUNTY, WASHINGTON, AMENDING THE DISTRICT'S WATER ALLOCATION PROCEDURES.

Whereas Water District 19 ("District") completed an update to its Water System Plan dated July 2022 ("Plan"), which has been duly approved by King County and the state departments of Ecology and Health; and

Whereas the approved Plan demonstrates that the District has capacity to issue additional Equivalent Residential Units (ERUs) for water service; and

Whereas the District has on its rolls nearly 100 zero-use ERUs, held by landowners within District boundaries, who have the future right to request water service from the District, subject to the District's policies and procedures then in effect; and

Whereas the existence of so many zero-use ERUs, constituting more than 6 percent of the active ERUs on the District's system, complicates the task of planning for future water demand and supply in a manner which is consistent with the District's duty to serve in accordance with RCW 43.20.260; and

Whereas few of the new ERUs acquired by landowners following the 2023 Water Allocation Event have resulted in actual new connections, but rather are being held by landowners for potential future use; and

Whereas the District believes that the allocation of the remaining ERUs that may be made available to new customers under the current Plan (as well as any additional ERUs that may be contemplated and made available under future updates to the Plan) should be done to serve the actual, tangible, and immediate needs of the residents residing within the District and not retained for speculative development purposes with uncertain connection dates; and

Whereas King County has identified the need for affordable housing as a top priority in its Vashon-Maury Island Community Service Area Subarea Plan, adopting a goal of "increasing the inventory of housing that is affordable to extremely-low, very-low, and low-income populations on the Island" and encouraging the creation of housing

affordable to families with incomes of between 50 percent and 80 percent area median income (AMI); and

Whereas all of the land on Vashon and Maury islands that is zoned for higher-density residential development and supportive of affordable housing projects is located within the boundaries of the District; and

Whereas, pursuant to RCW 57.08.050(3) the District has full authority to regulate and control the use, content, distribution, and price of water service in such a manner as is not in conflict with general law; and Whereas, pursuant to RCW 57.12.010 the District Board of Commissioners is authorized to adopt rules governing the transaction of its business;

Now, therefore, be it resolved as follows:

1. Amendment of Water Allocation Procedures. The District's Water Allocation Procedures are hereby amended to read as follows:

I. Applicants for a water allocation shall be considered for either Special Uses or General Uses.

A. Special Uses - categories:

Category 1: Emergency connections

A landowner within the District who is experiencing actual hardship as a result of a loss of their previous water source, which was fully permitted and to which they were legally entitled.

To qualify under this category, the applicant must own a parcel within the District's boundaries, and must provide a report by a qualified third party documenting their history of the use of the parcel, the evidence of a long-term water source that historically supported that use, the event(s) that led to the loss of water supply, and the other options or alternatives that have been explored to obtain a supply of water. Qualification for this category shall be determined by the Board of Commissioners at its sole discretion.

Category 2: Affordable housing

A landowner within the District, or a party that holds a legally binding option to purchase a parcel within the District, qualifies for this category for purposes of developing new permanent housing (excluding mobile home parks) where all dwelling units will be available only for tenants or buyers who are at or below 80% of the Area Median Income, which restriction is contained in a binding

affordable housing covenant recorded against the parcel which shall remain in existence for at least 50 years from when the project is financed.

B. General Uses

Market-rate housing, commercial and industrial projects all fall within the General Use classification by default.

Parcels that lack a permitted structure, and whose owner does not have immediate plans to erect one, can seek the Board of Commissioners' approval to be considered for ERU(s) at a Water Allocation Event in the General Use classification in order to pursue any of the uses listed in King County zoning codes for "Resource" or "Recreational" land uses.

For a Resource or Recreational application to be approved, the applicant must demonstrate firm plans for a long-term use of water at the parcel that justifies the District's permanent commitment to serve the parcel. Documentation provided may include the owner's history and expertise with the proposed site use, business planning documents, and/or other documentation supporting the application's viability. An explanation for why a permanent District service is required must be provided. The Board of Commissioners will not approve applications where the proposed use is transitory, limited, or speculative in nature.

II. Allocation of Water Units

Before the District holds a Water Allocation Event, the Board of Commissioners shall determine the number of ERUs to be allocated. The board may reserve a pool of ERUs to be allocated only to Special Uses. All remaining ERUs to be allocated are considered part of the General Pool.

The District Water Allocation Application¹ shall henceforth ask the applicant to state the purpose for which they seek to acquire the ERU(s) they are requesting, so that their application can be considered among applicants for Special Uses if appropriate. For Special Use applications in Category 2 (Affordable Housing), the applicant shall commit to providing evidence of affordability housing covenants before ERUs will be permanently assigned and a water connection to the District's water system is authorized and completed. Special Use applications in Category 1 (Emergency Connections) shall be considered only if the applicant has been approved in accordance with the criteria and process described in

¹ Described on p. 9 of the Master Resolution.

Section I above.

When an Allocation Event is held, applications for Special Uses shall be considered first. If no more ERUs have been requested for Special Uses than are available in the Special Pool, then all Special Use applicants shall be considered successful applicants and shall be offered conditional ERU assignments as described in Section III below. If Special Use applicants have requested more ERUs than are available in the Special Pool, the District shall conduct a random drawing following the procedures in the Master Resolution.² If fewer Special Use ERUs have been requested than were available in the Special Pool, the unallocated ERUs shall remain in the Special Pool until the next Water Allocation Event.

In the next stage of the Water Allocation Event, the ERUs in the General Pool shall be allocated. All General Use applicants will be considered, along with any Special Use applicants whose requests were not filled from the Special Pool. If those applicants have requested in total no more ERUs than there are in the General Pool, all applicants shall be considered successful and shall be offered conditional ERU assignments as described in Section III below. If the applicants have requested more ERUs than are available in the General Pool, the District shall conduct a random drawing following the procedures in the Master Resolution.

After applicants have completed the necessary steps to obtain permanent assignment of their ERU(s) from the District (see below), ERUs that were conditionally awarded from the Special Pool will only be assigned for the use identified and requested on the application. Failure to complete a project for a use that qualifies for the Special Pool shall result in a withdrawal and forfeiture of the applicant's assignment of ERU, as described in Section IV below, and connection to the District's water system will not be allowed.

III. Conditional assignment of ERUs before final permitted connection

Successful applicants in a Water Allocation Event shall be notified of the status of their applications, and will be invoiced for a deposit on the ERU(s) they requested, amounting to 60% of the current General Facilities Charge for those ERUs. Once an applicant pays their invoice, the applicant may follow the procedures outlined in the Master Resolution³ to obtain a Certificate of Water

² See p. 10 of the Master Resolution.

³ See pages 10-11 of the Master Resolution.

Availability, including payment of fees for the certificate, and execution of a Developer Extension Agreement if deemed necessary by the District. From that point forward, an applicant also becomes liable for the District’s bi-monthly base charge because water service is being made available to the applicants and the commitment to provide water service results in the District not being able to make water service available to other potential applicants that desire to connect to the District’s water system.

To maintain the conditional assignment of the ERUs to their property, a successful applicant must show progress toward completion of their project according to the following schedule of time elapsed after payment of their initial deposit:

	Resource & recreation	Single-family residence	Multi-family, commercial, or industrial projects
Complete permit application with King County	1 year (if needed)	2 years	2 years
Obtain funding for the project	N/A	N/A	5 years
Project completion	2 years	5 years	7 years

These timelines apply to applicants who obtain conditional allocations of ERUs through either the Special Pool or the General Pool.

Applicants with a conditional allocation may request a temporary service installation while the project is under construction. All fees for the installation of District facilities, meters, etc. will be due upon installation of the temporary service. This service connection will remain conditional until final acceptance as described below in Section IV.

IV. Final assignment of ERUs, or withdrawal of conditional assignment

After an applicant’s project is signed off as complete by King County, the ERU(s) for that project may be permanently assigned to the parcel(s) where it is located upon payment of the remaining 40 percent of the General Facilities Charge. This payment shall be required in order to receive permanent water service from the District. At this time, for applicants under Category 2 (Affordable Housing) of the

Special Pool, the District shall verify that the project includes legally binding covenants of affordability which meet the requirements in effect when the ERUs were conditionally assigned.

If an applicant fails to meet the timetable of progress described in Section III above, the applicant may request an extension, upon showing that they made active efforts to advance their project, and that they experienced hardship or delay beyond their reasonable control. Extensions may be granted by the Board of Commissioners at its sole discretion.

If an applicant does not meet that timetable of progress and does not receive an extension, the conditional assignment of ERU(s) to that property shall be withdrawn and forfeited back to the District, and the District shall refund the applicant's deposit, less an administrative fee equal to \$50 per month per ERU since they had been tentatively assigned the ERU(s).

An applicant may also decide voluntarily to forgo the conditional assignment of some or all of the ERUs that had been conditionally assigned to them. In that case, within 45 days of notifying the District in writing of the decision to forgo the assignment of ERUs, the District shall refund the applicant's deposit for those units, less an administrative fee equal to \$50 per month per ERU since they had been conditionally assigned the ERU(s).

V. Repurchase of Water Service Units by the District

Until the next Allocation Event, the District will undertake efforts to repurchase up to 14 ERUs from landowners under the terms described in the Master Resolution, pp. 17-18.

Landowners selling their ERUs back to the District will have the option of designating that their ERUs be re-issued only in the Special Pool, or be eligible for allocation in the General Pool.

Following the next Allocation Event, the Board of Commissioners shall determine whether to continue repurchasing water units from landowners.

2. Repealer. All District resolutions, policies and procedures are hereby modified, amended and superseded to be in accordance with this Resolution.

**WATER DISTRICT 19
KING COUNTY, WASHINGTON**

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF
WATER DISTRICT 19, KING COUNTY, WASHINGTON,
AMENDING PROCEDURES RELATING TO THE DISTRICT'S
BUYBACK LIST.

Whereas, pursuant to RCW 57.08.050(3) Water District 19 ("District") has full authority to regulate and control the use, content, distribution, and price of water service in such a manner as is not in conflict with general law; and

Whereas, pursuant to RCW 57.12.010 the District Board of Commissioners is authorized to adopt rules governing the transaction of its business; and

Whereas the District held a Water Allocation Event in May 2023; and

Whereas the District received more applications for Equivalent Residential Units (ERUs) than it was able to serve at that time; and

Whereas the District has since developed and maintained a Buyback List of applicants, in the order in which their names had been drawn, to which it has offered ERUs as currently allocated ERUs are sold back to the District; and

Whereas the comments made by the public participating at the District Board of Commissioners meeting held on November 21, 2024, overwhelmingly favored the District serving the remaining applicants on the Buyback list before holding a new Water Allocation Event; and

Whereas the District Board believes that it is in the best interest of the District and its customers to fulfill the original intentions of the Board when it adopted the policy relating to the establishment of the Buyback List for those persons currently on the Buyback List; now therefore

BE IT RESOLVED by the Board of Commissioners of Water District 19 as follows:

1. Amendment of Procedures Relating to Buyback List. The District's procedures relating to the Buyback List are hereby amended to read as follows:

Any ERUs released for sale by the District will be offered first to prospective customers on the 2023 Buyback List in the order in which they appear on that list, until such time as those prospective customers shall either have accepted or declined those offers, or forfeited them through inaction. The ERUs will be offered under the District's present policies, including Resolution #___ and all other amendments made since the 2023 allocation event.

Following any Allocation Events held after the 2023 Buyback List is fully served, no list will be maintained of unsuccessful applicants after all available ERUs have been conditionally assigned to successful applicants and those applicants shall have paid the deposit to hold the ERUs on their behalf.

2. Repealer. All District resolutions, policies and procedures are hereby modified, amended and superseded to be in accordance with this Resolution.